MONTANA LEGISLATIVE HISTORY

Chapter 121 19 75

Bill H _____ S 7 Original bill & history ___C

Bill-missing from Book

H. Committee on Business & Ind.

Hearing Date(s) _____ ___C

_____ ___C

_____ ___C

_____ ___C

Date Out _____ ___C

S. Committee on Business & Ind.

Hearing Date(s) 1-17 ✓C

1-29 ✓C

_____ ___C

_____ ___C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

/ Business ...

1975 Senate

COMMITTEE ON Business and Industry

BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CONCURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CONCURRED IN DATE
SB 1	1/6/75	1/13/75	1/22/75			1/22/75			
SB 7	1/6/75	1/17/75	1/2/75			1/29/75			
SB 69	1/22/75	1/29/75	1/29/75			1/29/75			
SB 98	1/11/75	1/24/74	1/24/74		NO RECOMMENDATION				
SB 108	1/11/75	1/27/75	2/3/75			2/3/75			
SB 109	1/11/75	1/27/75	2/14/75		2/14/75				
SB 117	1/18/75	2/3/75	2/14/75			2/14/75			
SB 142	1/21/75	2/10/75	2/14/75		2/14/75				
SB 150	1/21/75	1/31/75	2/3/75	2/3/75					
SB 151	1/21/75	2/17/75	2/24/75	2/24/75					
SB 164	1/22/75	1/29/75	1/29/75			1/29/75			
SB 215	1/24/75	2/5/75	2/3/75	2/3/75					
SB 234	1/27/75	2/19/75	2/24/75			2/24/75			
35	1/27/75	2/19/75	2/24/75			2/24/75			
SB 238	1/27/75	2/19/75	2/24/75	2/24/75					
SB 258	1/27/75	2/7/75	2/12/75		2/12/75				
SB 284	1/27/75	2/7/75	2/14/75		2/14/75				

(Separate sheet for Senate, House Bills, and Resolutions)

MINUTES OF THE MEETING

BUSINESS AND INDUSTRY COMMITTEE

MONTANA STATE SENATE

The third meeting of the Business and Industry Committee was called to order by Chairman Regan on the above date in Room 404 of the State Capitol Building at 11:00 a.m. This was a Committee meeting on Senate Bill 7.

ROLL CALL: All members were present with the exception of Senator Rosell who was excused.

Chairman Regan then turned the meeting over to Vice-Chairman Devine who relieved her for testimony on Senate Bill 7.

Vice-Chairman Devine then asked Senator Regan to introduce Senate Bill 7.

Senator Regan, District 31, stated that the subject of the bill is credit. This bill and its provisions is similar to bills in twenty-two other states most of which forbid discrimination based on sex. It is also similar to the bill passed in Connecticut. In line 6 and line 21, page 2, we must define the word "age." We can define age as an individual who has reached legal age. The heart of the bill is section 2, lines 18-22, where it states that it is unlawful for any credit to discriminate. The final major point of the bill is that nothing is to prevent any individual from taking action in court. This is under section 7 of the bill.

Rosemary Zion, Consultant to Interim Sub-Committee who wrote the bill. The basic thing about this bill is that it spells out what is meant by fair credit. It does not apply to Credit Union, etc. It does not apply to the State Human Rights Commission. For most people it is too expensive and too time consuming. The remedy is that this bill be effective and immediate. It will provide some real protection for people who feel that they have been discriminated against. All the bill will do is set up standards and the credit risk will be the same for everyone. She then recommended that physical and mental handicapped be added to the bill.

Senator Regan spoke for Mr. Socs Veratis, Lobbyist for the Montana Retail Association, who could not be here for the meeting. His position is in support of the bi

Lynn Scott, Helena WPC, supports this bill on the basis of fairness. Equal rights in our society certainly depends upon equal access to sources of credit.

Margaret S. Davis, Montana League of Women's Voters does support Legislature on this bill.

Jahn Cadby, Montana Bankers Association, is a proponent of the bill. He agreed wi Senator Regan that age should be specified in this bill. He also brought to the Committee's attention the fact that we do discriminate against people over the age of 65. They can not get credit insurance to protect their loans because they

have a limited source of income. This puts the banks in a very delicate position. Perhaps there is a way to define this so that these two problem areas can be solved. He stated that sex discrimination is going to fade away very fast. The bankers only wish to take into consideration eligibility for a loan. We are 100% behind the bill.

Vice-Chairman Devine asked if there were any opponents to the bill. Since there were none he opened the meeting up for questions to the Committee.

Senator Regan stated that she had a personal interest in this bill. She went to the bank one day to get a loan and had the security for the loan with her. All the papers were drawn up and they then told her that her husband had to sign them. She told the Committee that she had been a teacher in that community for fourteen years. She also realized that sex discrimination is not going to go away with the passing of this law.

Rosemary Zion talked briefly about the handicapped people under this bill. She said that they have a difficult time with credit even if they are holding down a good job. She said that under the Code of Fair Practices it defines age as having a job not as having a pension. It is the consequences of age that should be dealt with. She suggested to the Committee that one way to overcome the problems that come under age is in the Code of Fair Practices. She told about a woman in Great Falls whose husband died and Master Charge recalled her card because of it.

Senator Devine asked if there were any more questions of the Committee.

Senator Foster asked Senator Regan to explain about the workings of the Commission on this bill.

Senator Regan answered his question by saying that it was under the Human Rights Code and last year placed under Labor. It's function is to handle complaints based on sex or minority discrimination and unfair practices.

Senator Foster then asked who appointed the Commission.

Rosemary Zion answered that the Govenor appointed the Commission. She stated that the complaints are made to the Bureau and then investigated. If the complaint is justified then it may go to court. She stated the decision of the agency is binding unless overruled by the court. There are five members on the staff.

Senator Towe asked the Committee why they could not make the language in SB 7 identical to that in the Federal Law. If it is all right with the committee he would like to work with Roger Tippy on this point.

Senator Regan agreed with Senator Towe on this point. She then told the Committee about the sub-committee meeting Saturday, January 18, at 10:30 in room 436 and named the sub-committee.

ADJOURN: There being no further business, Chairman Regan adjourned the meeting at 11:45 a.m.

Pat Regan

Pat Regan, Chairman

WITNESS STATEMENT

Name _____ Date _____

Address _____ Support ? _____

Representing _____ Oppose ? _____

Which Bill ? _____ Amend ? _____

Comments:

Name Lynne Scott Bill No. 7

Address 314 11 Colburn, Helena Date Jan. 17

Whom do you represent? Helena Women's Political Caucus

Amend?_____ Oppose?_____ Support? ✓

Please leave prepared statement with secretary.

The Helena W.P.C. supports this bill on the basis of fairness. Equal rights in our society certainly depend upon equal access to sources of credit

ROLL CALL

Bus. & Ind. COMMITTEE

44th LEGISLATIVE SESSION 1975

Dat

NAME	PRESENT	ABSENT	EXCUSE
John W. Devine, V.C.	✓		
Donald R. Foster	✓		
Mike Greely	✓		
Thomas E. Towe	✓		
Frank W. Hazelbaker	✓		
Allen C. Kolstad	✓		
Antoinette Fraser Rosell			✓
Pat Regan, Chairman	✓		

DATE 1-11

COMMITTEE ON B & I BILL NO. 7

VISITOR'S REGISTER

NAME	REPRESENTING	BILL NO	Chec Suppor
Margaret S Davis	League of Women Voters	SB 7	X

SENATE BILL NO. 7

INTRODUCED BY REGAN, GREELY

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING DISCRIMINATION ON THE BASIS OF RACE, COLOR, RELIGIOUS CREED, NATIONAL ORIGIN, ANCESTRY, AGE, MENTAL & PHYSICAL HANDICAP, SEX, OR MARITAL STATUS IN CREDIT TRANSACTIONS; AMENDING SECTIONS 64-305, 64-306, AND 64-307, R.C.M. 1947; ~~PROVIDING FOR INDIVIDUAL ACTIONS, COOPERATION OF STATE AGENCIES WITH THE COMMISSION ON HUMAN RIGHTS; AND GRANTING THE COMMISSION RULE-MAKING POWERS~~."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Strike everything after the enacting clause and insert:)

Section 1. Section 64-305, R.C.M. 1947, is amended to read as follows:

"64-305. Definitions. As used in this act, unless the context requires otherwise:

(1) "Age" means number of years since birth. It does not mean level of maturity or ability to handle responsibility. These latter criteria may represent legitimate considerations as reasonable grounds for discrimination without reference to age.

(2) "Commission" means the commission for human rights provided for in section 82A-1015.

(3) "Department" means the department of labor and

industry provided for in Title 82A, chapter 10.

(4) "Educational institution" means a public or private institution and includes an academy, college, elementary or secondary school, extension course, kindergarten, nursery, school system, university, a business, nursing, professional, secretarial, technical or vocational school or an agent of an educational institution.

(5) "Employee" means any individual employed by an employer.

(6) "Employer" means an employer of one (1) or more persons but does not include a fraternal, charitable, or religious association or corporation, if the association or corporation is not organized for private profit; or to provide accommodation or services that are available on a nonmembership basis.

(7) "Employment agency" means a person undertaking to procure employees or opportunities to work.

(8) "Financial institution" means a commercial bank, trust company, mutual savings bank, cooperative bank, homestead association, finance company, mutual savings and loan association or an insurance company.

(9) "Housing accommodation" means a building or portion of a building, whether constructed or to be constructed, which is or will be used as the sleeping quarters of its occupants.

(10) "Labor organization" means an organization and an agent of the organization, organized for the purpose, in whole or in part, of collective bargaining, dealing with employers concerning grievances, terms of conditions of employment, or of other mutual aid protection of employees.

(11) "Mental handicap" means any mental disability resulting in subaverage intellectual functioning and impaired social competence.

(12) "National origin" means ancestry.

(13) "Person" means one (1) or more individuals, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated employees, employers, employment agencies, or labor organizations.

(14) "Physical handicap" means any physical disability, infirmity, malformation or disfigurement which is caused by bodily injury, birth defect or illness, including epilepsy, and shall include without limitation any degree of paralysis, amputation, lack of physical coordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, or physical reliance on a guide dog for the blind, wheelchair, or other remedial appliance or device.

(15) "Public accommodation" means a place which caters or offers its services, goods, or facilities to the general

public including but not limited to a public inn, restaurant, eating house, hotel, roadhouse, place where food or spirituous or malt liquors are sold for consumption, motel, soda fountain, soft drink parlor, tavern, night club, trailer park, resort, campground, barber shop, beauty parlor, bathroom, resthouse, theater, swimming pool, skating rink, golf course, cafe, ice cream parlor, transportation company, hospital, and all other public amusement and business establishments, subject only to the conditions and limitations established by law and applicable alike to all persons.

(16) "Credit" means the right granted by a creditor to a person to defer payment of a debt or to incur debt and defer its payment, or purchase property or services and defer payment therefor, including but not limited to the right to incur and defer debt which is secured by residential real property.

(17) "Creditor" means any person who regularly or as a part of his business arranges for the extension of credit for which the payment of a financial charge or interest is required whether in connection with loans, sale of property, or services, or otherwise.

(18) "Credit transaction" means any invitation to apply for credit, application for credit, extension of credit, or credit sale."

Section 2. Section 64-306, R.C.M. 1947, is amended to read as follows:

"64-306. Discriminatory practices described and prohibited. (1) It is an unlawful discriminatory practice for:

(a) an employer to refuse employment to a person, or to bar him from employment, or to discriminate against him in compensation or in a term, condition, or privilege of employment because of his race, religion, color, or national origin or because of his age, physical or mental handicap or sex when the reasonable demands of the position do not require an age, physical or mental handicap or sex distinction;

(b) a labor organization, because of a person's sex, age, physical or mental handicap, race, religion, color, or national origin, to exclude or expel him from its membership, apprenticeship, or training program, or to discriminate in any way against a member of, or an applicant to the labor organization or an employer or an employee;

(c) an employer or employment agency to print or circulate or cause to be printed or circulated a statement, advertisement, or publication, or to use a form of application for employment, which expresses, directly or indirectly, a limitation, specification or discrimination as to sex, age, physical or mental handicap, race, creed,

color, or national origin, or an intent to make the limitation, unless based upon a bona fide occupational qualification;

(d) an employer, labor organization or employment agency to discharge, expel, or otherwise discriminate against a person because he has opposed any practices forbidden under this act or because he has filed a complaint, testified, or assisted in a proceeding under this act.

The state, employers, labor organizations, and employment agencies shall maintain records on age, sex, and race that are required to administer the civil rights law and regulations. These records are confidential and available only to federal and state personnel legally charged with administering civil rights laws and regulations. However, statistical information compiled from records on age, sex, and race shall be made available to the general public.

(2) It is an unlawful discriminatory practice for the owner, lessee, manager, agent, or employee of a public accommodation:

(a) to refuse, withhold from, or deny to a person any of its services, goods, facilities, advantages, or privileges because of sex, race, age, physical or mental handicap, religion, color, or national origin;

(b) to publish, circulate, issue, display, post or mail a written or printed communication, notice or advertisement which states or implies that any of the services, goods, facilities, advantages or privileges of the public accommodation will be refused, withheld from or denied to a person of a certain race, religion, sex, age, physical or mental handicap, color or national origin except when the distinction is based on reasonable grounds under rules adopted by the commission.

(3) It is an unlawful discriminatory practice for the owner, lessee, manager or other person having the right to sell, lease, or rent a housing accommodation or improved or unimproved property:

(a) to refuse to sell, lease, or rent the housing accommodation or property to a person because of sex, race, religion, color, age, physical or mental handicap, or national origin, except when the distinction is based on reasonable grounds under rules adopted by the commission;

(b) to discriminate against a person because of sex, race, religion, age, physical or mental handicap, color, or national origin in a term, condition, or privilege relating to the use, sale, lease, or rental of a housing accommodation or improved or unimproved property, except when the distinction is based on reasonable grounds under rules adopted by the commission; or

(c) to make a written or oral inquiry or record of the sex, race, religion, age, physical or mental handicap, color, or national origin of a person seeking to buy, lease, or rent a housing accommodation or improved or unimproved property, except when the distinction is based on reasonable grounds under rules adopted by the commission;

(d) a private residence designed for single family occupancy, in which sleeping space is rented to guests in the family home in which the landlord also resides, may be excluded from the provisions of this act.

(4) It is an unlawful discriminatory practice for a financial institution, upon receiving an application for financial assistance to permit an official or employee during the execution of his duties:

(a) to discriminate against the applicant because of sex, race, religion, age, physical or mental handicap, color, or national origin in a term, condition or privilege relating to the obtainment or use of the institution's financial assistance.

(5) It is an unlawful discriminatory practice for the state or any of its political subdivisions:

(a) to refuse, withhold from, or deny to a person any local, state, or federal funds, services, goods, facilities, advantages, or privileges because of race, religion, sex, color, age, physical or mental handicap, or national origin;

(b) to publish, circulate, issue, display, post, or mail a written or printed communication, notice, or advertisement which states or implies that any local, state, or federal funds, services, goods, facilities, advantages, or privileges of the office or agency will be refused, withheld from, or denied to a person of a certain race, religion, sex, color, age, physical or mental handicap, or national origin or that the patronage of a person belonging to a particular race, creed, sex, color, or certain age or national origin or possessing a physical or mental handicap, is unwelcome, or not desired or solicited.

(c) to refuse employment to a person, or to bar him from employment, or to discriminate against him in compensation or in a term, condition, or privilege of employment because of his political beliefs. However, this prohibition does not apply to policy-making positions on the immediate staff of an elected officer of the executive branch provided for in article VI, section 1, of the Montana constitution, nor to the appointment by the governor of a director of a principal department provided for in article VI, section 7, of the Montana constitution.

(6) It is an unlawful discriminatory practice for an educational institution:

(a) to exclude, expel, limit, or otherwise discriminate against an individual seeking admission as a

student or an individual enrolled as a student in the terms, condition, and privileges of the institution because of race, color, age, physical handicap, or national origin or because of mental handicap unless based on reasonable grounds under rules adopted by the commission;

(b) to make or use a written or oral inquiry or form of application for admission that elicits or attempts to elicit information, or to make or keep a record, concerning the race, color, religion, physical or mental handicap, or national origin of an applicant for admission, except as permitted by regulations of the commission;

(c) to print, publish, or cause to be printed or published a catalog or other notice or advertisement indicating a limitation, specification, or discrimination based on the race, color, religion, age, physical or mental handicap, sex, or national origin of an applicant for admission; or

(d) to announce or follow a policy of denial or limitation through a quota or otherwise of educational opportunities of a group or its members because of race, color, religion, physical or mental handicap, or national origin.

(7) It is an unlawful discriminatory practice for a creditor to discriminate on the basis of race, color, religious creed, national origin, ancestry, age, sex, or mental or physical handicap

marital status against any person in any credit transaction."

Section 3. Section 64-307, R.C.M. 1947, is amended to read as follows:

"64-307. Sex, age, physical or mental handicap, race, religion, color, origin no justification for discrimination. (1) Sex, age, physical or mental handicap, race, religion, color or national origin, either singly or in combination, may not comprise justification for discrimination in and of themselves unless the nature of the service requires the discrimination for the legally demonstrable purposes of correcting a previous discriminatory practice.

Age, or mental handicap may represent a legitimate discriminatory criteria in credit transactions only as ~~it relates~~ they relate to a person's capacity to make or be bound by contracts or other obligations.

(2) Separate lavatory, bathing or dressing facilities based on the distinction of sex may be maintained for the purpose of modesty or privacy."

~~Section 4. There is a new R.C.M. section that reads as follows:~~

Individual action. Nothing in this act shall preclude an individual from prosecuting a private action in the district court alleging violation of the provisions of this or any other act.

Date 1-29-75 Senate Bill No. 7 Time 1[illegible]

NAME	YES	NO
John W. Devine, V.C.	✓	
Mike Greely	✓	
Donald R. Foster	✓	
Thomas E. Towe	✓	
Frank W. Hazelbaker	✓	
Allen C. Kolstad		✓
Antoinette Fraser Rosell		✓
Pat Regan, Chairman	✓	

Secretary

Chairman

Motion: Bill passed as amended

(include enough information on motion--put with yellow copy of committee report.)

MR. PRESIDENT

We, your committee on Business and Industry

having had under consideration Senate Bill No. 7

A BILL FOR AN ACT ENTITLED: " AN ACT PROHIBITING DISCRIMINATION ON T BASIS OF RACE, COLOR, RELIGIOUS CREED, NATIONAL ORIGIN, ANCESTRY, AGI SEX, OR MARITAL STATUS IN CREDIT TRANSACTIONS."

Respectfully report as follows: That Senate Bill No. 7

Be amended in the introduced bill as follows:

1. Amend the title, page 1, line 7.
   Following: "TRANSACTIONS"
   Insert: "AN ACT AMENDING SECTIONS 64-305, 64-306, AND 64-307, R.C.M. 1947;"

2. Amend the title, page 1, line 6.
   Following: "SEX,"
   Insert: "PHYSICAL OR MENTAL HANDICAP,"

3. Amend pages 1 through 5.
   Strike: All of the bill following the enacting clause.
   Insert: (See Next Page)

~~DO PASS~~

AND AS SO AMENDED, DO PASS

Pat Regan Chairman.

STATE PUB. CO.
Helena, Mont.

1975
House

BUSINESS AND INDUSTRY COMMITTEE

44 Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
HB 652	To Clarify The Regulation of Subdivision	2/8/75	Kemmis	to Natural Resources		2/11/75
SB 7	Prohibiting Discrimination in Credit Transactions	2/10/75	Regan	3/5/75	BE CONCURRED IN	3/5/75
SB 69	To Amend Security Requirements For Deposit of Public Funds	2/10/75	Galt	3/5/75	BE CONCURRED IN	3/5/75
HB 681	Montana Kitchen & Table Wine Act	2/13/75	James Moore	2/21/75	Shelved	3/10/75
HB 675	Statewide Growth-Land & Resource Conservation Development	2/12/75	Meloy	to Natural Resources		2/13/75
SB 108	Disallow Advertising Expense & Contribution Expense re Public Utilities	2/14/75	Towe	2/17/75	AS SO AMENDED BE CONCURRED IN	2/17/75

More discussion followed regarding the five mile radius portion of the bill. Senator Regan was asked by Rep. Williams if she would object to amending that part of the bill, and Senator Regan said she would have to take a really hard look at it first. Senator Regan, further said, that a liquor license should allow no more than the right to do business, that no other license allowed more.

Rep. Scully said he agreed with Senator Regan regarding the quota system, but said he would like to amend the five mile radius limit of the bill. A copy of Rep. Scully's proposed amendments is attached.

SB 7...Senator Regan, sponsor, testified regarding the need for this bill. She said the law now clearly discriminates and there was a great need to change that. Senator Regan went over the bill, explaining the amendments made to the present law regarding credit.

Senator Regan introduced Jan Gerke, who submitted written testimony, which is attached hereto.

Socs Vratis, representing the Montana Retail Association, testified on SB 7; he said he, in no way, opposed the bill, but did want one word added into the bill. Mr. Vratis wanted the word "soley" added after the word "discriminate" on line 22 of page 10.

Senator Regan said the addition of the word "soley" in the above-mentioned paragraph, would be discriminative. She said this would completely change the whole bill, and she would rather see the bill killed than to do that.

There followed discussion regarding this matter, and Rep. Bradley said by adding the word "soley", where Mr. Vratis proposed, it would be accumulative discrimination. Senator Regan said only three things should be important in considering credit and those were the three "C"'s-character, capacity and collateral.

Lawrence Winthrop testified as neither a proponent or an opponent, but wished to have the bill amended regarding the age of a person applying for credit. His testimony is attached hereto.

The following action was taken by the committee:

SB 7...Rep. Harper moved that the bill DO PASS. A roll call vote revealed that the members voted YES, with the exception of Rep. Casey, who voted NO; Rep.'s Wolfe, Sloan, Fabrega and Wood being absent.

SB 1...Chairman Shelden appointed a subcommittee for this bill, consisting of Rep. Williams, chairman, and Rep.'s Bradley and Aageson.

There being no further business the meeting was adjourned.

NAME Pat Regan Bill No. SB 7

ADDRESS _____ Date _____

WHOM DO YOU REPRESENT? District 31

SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Jan Gerke BILL No. SB 7

ADDRESS 1014 Cherry, Helena DATE 3/5/75

WHOM DO YOU REPRESENT? Women's Lobby, Inc. & H. W. P. C.

SUPPORT? X OPPOSE? AMEND?

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Sex discrimination in credit matters affects all women, but primarily it is the married or formerly married woman who has the most difficulty in obtaining satisfactory credit. This creates a retarding atmosphere for many, including the children from a female-headed household, because their economic status is sevedly limited in a credit oriented society such as ours.

The working wife, according to the report of the U.S. Senate Committee on Banking, Housing and Urban Affairs that accompanies the Equal Credit Opportunity Act, suffers from the unwillingness of creditors to acknowledge her worth as a potential user of credit and thus credit ratings are altered on the basis of the husband's financial performance even though the wife may be the primary wage-earner.

The irony of this matter is that there is no direct evidence that women are poorer credit risks than men. A study done by Smith for "Management Science" 327-40 (1964) demonstrated that the bad account probability for women was substantially lower than for men with the same marital status. The unfortunate fact that women as a class are economically disadvantaged explains why fewer women get involved in credit deals; However, this does not justify denial of credit to women when they meet the criteria for credit and loans.

Solutions to this problem will not be easy because like racial discrimination, the discriminatory attitude of those controlling credit is deeply rooted and will take time to change. Much of the push for such change has come and will continue to come from

SUPPORT?___x___ OPPOSE?_____AMEND?_____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Sex discrimination in credit matters affects all women, but primarily it is the married or formerly married woman who has the most difficulty in obtaining satisfactory credit. This creates a retarding atmosphere for many, including the children from a female-headed household, because their economic status is sevedly limited in a credit oriented society such as ours.

The working wife, according to the report of the U.S. Senate Committee on Banking, Housing and Urban Affairs that accompanies the Equal Credit Opportunity Act, suffers from the unwillingness of creditors to acknowledge her worth as a potential user of credit and thus credit ratings are altered on the basis of the husband's financial performance even though the wife may be the primary wage-earner.

The irony of this matter is that there is no direct evidence that women are poorer credit risks than men. A study done by Smith for "Management Science" 327-40 (1964) demonstrated that the bad account probability for women was substantially lower than for men with the same marital status. The unfortunate fact that women as a class are economically disadvantaged explains why fewer women get involved in credit deals; However, this does not justify denial of credit to women when they meet the criteria for credit and loans.

Solutions to this problem will not be easy because like racial discrimination, the discriminatory attitude of those controlling credit is deeply rooted and will take time to change. Much of the push for such change has come and will continue to come from women themselves. But the major reform will be state laws such as this one and those passed by 14 states in 1973 which mandate non-discriminatory treatment in credit matters. Such laws will provide the legal basis for changing conditions that contribute to the disadvantaged economic status of the majority of this country.

NAME Don Waters Bill No. SB 7

ADDRESS P. O. Box 440 Date 3-5-75

WHOM DO YOU REPRESENT? Montana Retail Association

SUPPORT _____ OPPOSE _____ AMEND X

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME LAWRENCE WINTHROP Bill No. SB 7

ADDRESS 166 SW 3rd Portland, OR Date 2.6.75

WHOM DO YOU REPRESENT? T.C. Beirne & Co.

SUPPORT _____ OPPOSE _____ AMEND ✓

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

[illegible] of this honorable committee:

My name is Lawrence Winthrop. I am Regional Credit Manager for the J. C. Penney Company covering an area which includes the State of Montana.

My objective in testifying is to illustrate the importance of knowing the age of credit applicants. Your attention is invited to the credit applications you have in front of you. You will notice that nowhere on that form do we ask for the sex or marital status of the applicant. We have taken this unusual step, and I believe we are the first to do so, because we wish to avoid even the appearance of any possible discrimination in sex or marital status. We also do not believe these questions are necessary in determining credit-worthiness. There is no danger of our denying credit because we don't know whether they are male or female, single, married, divorced or widowed.

On the question of age there is that danger of denying credit to people who deserve it. The decision to approve a charge application is based on the strength of the application which is measured, among other factors, by indications of credit references and stability in gainful employment. The young applicant is most likely not to have credit references or be employed long enough to demonstrate stability and therefore would be denied credit priveleges in most cases.

However, it is our policy to try to approve such applicants without requiring a credit history or other credit references. We have a limited type of account which meets the requirements of their modest budgets and enables them to start a proper credit record. We would be unduly penalizing these young applicants if

we were aware of their age and therefore unable to exercise our judgement in liberalizing our approval criteria for this group.

Our experience with older senior-citizen type applicants has been very favorable. Because of this fine experience our decline rate for this group is much lower than average. We are encouraged to be liberal even though their applications would show no evidence of employment in the case of retirees. Once again, without an indication of age we would be unable to demonstrate our faith in the proven credit-worthiness of older applicants. This class of applicant, as in the case of the younger customer, is usually on a modest budget and finds the use of credit an important factor when needed.

There are two other areas where knowledge of age is important. Occasionally we find it vital to verify the identity of a charge shopper in case of doubt or suspected fraudulent use of the charge card. The age on the application can be decisive. Also, knowing the age of the applicant helps us to screen those credit applicants who have not attained the legal age to enter into contracts.

The present wording of this bill would almost surely require that we also remove the date-of-birth question from our application to avoid any possible allegation of discrimination due to age of the applicant. This action would, in effect, result in a situation where we would be denying credit to many young and many old applicant

I therefore respectfully urge this committee to consider the proposed amendment which would eliminate our concern of possible unjustified allegation of age discrimination and permit us to exercise proper credit judgement in favor of those people who deserve the right of credit priveleges.